

NATURAL RESOURCES

OVERVIEW

The Resources Agency is responsible for the state's policies, programs, and activities relating to the conservation, management, and enhancement of California's natural and cultural resources. The agency consists of the following 22 state departments, boards, commissions, and conservancies:

- Baldwin Hills Conservancy
- Coachella Valley Mountains Conservancy
- Coastal Commission
- Colorado River Board
- Conservation Corps
- Department of Boating and Waterways
- Department of Conservation
- Department of Fish and Game
- Department of Forestry and Fire Protection
- Department of Parks and Recreation
- Delta Protection Commission
- Department of Water Resources
- Energy Resources Conserv & Dev. Commission
- Native American Heritage Commission
- San Francisco Bay Conserv. & Dev.
- San Gabriel Mountains/Lower Los Angeles River Conservancy
- San Joaquin River Conservancy
- Santa Monica Mountains Conservancy
- State Lands Commission
- Tahoe Conservancy
- Wildlife Conservation Board
- San Diego River Conservancy

The budget proposes a total of \$2.56 billion (\$593 million General Fund) for all Resources Agency programs, which represents a decrease of \$3.3 billion (56.2 percent) from the current-year budget.

All Resources Agency Budgets				
Summary of Expenditures				
(dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$740,500	\$593,193	-\$147,307	19.9
Special Funds	1,491,575	1,684,772	193,197	12.9
Selected Bond Funds	3,367,788	124,670	-3,243,118	96.3
Federal Funds	254,549	159,696	-94,853	37.3
Total	\$5,854,412	\$2,562,331	-\$3,292,081	56.2

0540 Secretary for Resources

The Secretary for Resources has administrative responsibility for the 22 state departments, boards, commissions, and conservancies within the Resources Agency. The budget proposes total expenditures of \$6.8 million (\$0 General Fund), a decrease of \$181.3 million from the current-year budget. The decrease in expenditures is attributable to the Governor's proposal to delay allocation of Proposition 40 and Proposition 50 bond funds.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$0	\$0	\$0	0.0
Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	27,573	204	-27,369	-99.3
California Environmental License Plate Fund	2,557	2,581	24	0.9
Environmental Enhancement and Mitigation Demonstration Program Fund	90	90	0	0.0
Bay-Delta Ecosystem Restoration Account	94,716	0	-94,716	-100.0
Federal Trust Fund	255	269	14	5.5
Reimbursements	515	515	0	0.0
River Protection Subaccount	8,801	16	-8,785	-99.8
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	51,983	1,627	-50,356	-96.9
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	1,605	1,500	-105	-6.5
Total	\$188,095	\$6,802	-\$181,293	-96.4

3340 California Conservation Corps

The corps provides on-the-job training and educational opportunities to California residents aged 18 through 23 with projects that conserve and enhance the state's natural resources and environment. The corps is headquartered in Sacramento and operates 13 residential base centers, 1 nonresidential service district, and more than 30 nonresidential satellite centers in urban and rural areas. The corps also develops and provides funding for 11 community conservation corps in neighborhoods with large concentrations of minority youth and high youth unemployment.

Summary of Expenditures (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$35,403	\$22,611	-\$12,792	-36.1
Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund	3,536	0	-12,792	-36.1
California Environmental License Plate Fund	308	315	-3,536	-100.0
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	285	291	7	2.3
Collins-Dugan California Conservation Corps Reimbursement Account	36,290	27,940	6	2.1
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	5,228	0	-8,350	-23.0
Total	\$81,050	\$51,157	-\$29,893	-36.9

Highlights

General Fund Reductions. Since the 2001-02 Budget Act, the Conservation Corps' budget has been reduced by \$34.2 million. During this same period, the corps' General Fund budget has been reduced by \$37.6 million. The Governor proposes to reduce General Fund support for the corps by \$12.8 million (36.1 percent from the current year) and 118.8 PYs. Specifically the Governor proposes the following:

- \$10.5 million for the Training and Work Program to include:
 - Closure of Los Padres, Ukiah, and Norwalk residential centers.
 - Closure of nonresidential centers located in McKinleyville, Arcata, and Crescent City, and the downsizing of additional nonresidential centers in Sacramento and the Bay Area.
 - Reduction of approximately 200 corpsmembers positions.
- \$2.3 million from the General Fund to eliminate corpsmember health benefits. The previous administration proposed a similar reduction last year, however the Senate did not concur.

3480 Department of Conservation

The Department of Conservation (DOC) protects public health and safety, ensures environmental quality, and supports the state's long-term viability in the use of California's earth resources. The department performs numerous functions relating to agricultural and open space lands and soils; beverage container recycling; geology and seismology; and mineral, geothermal, and petroleum resources.

The budget proposes total expenditures of \$881.6 million (\$3.7 million General Fund), an increase of \$195.6 million (28.5 percent) from the current-year budget. The increase in expenditures is attributable to the Beverage Container Recycling Program.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$5,003	\$3,790	-\$1,213	-24.2
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	15,714	520	-15,194	-96.7
Surface Mining and Reclamation Account	1,144	1,143	-14,571	-1273.7
State Highway Account, State Transportation Fund	12	12	-1,132	-9433.3
California Beverage Container Recycling Fund	531,978	712,575	712,563	133.9
Soil Conservation Fund	1,350	2,036	-529,942	-39255.0
Glass Processing Fee Account, California Beverage Container Recycling Fund	35,615	55,503	54,153	152.1
Hazardous and Idle-Deserted Well Abatement Fund	100	100	-35,515	-35515.0
Bi-metal Processing Fee Account, California Beverage Container Recycling Fund	86	86	-14	-16.3
PET Processing Fee Account, California Beverage Container Recycling Fund	50,881	69,667	69,581	136.8
Mine Reclamation Account	1,513	2,700	-48,181	-3184.5
Strong-Motion Instrumentation and Seismic Hazards Mapping Fund	3,367	7,966	6,453	191.7
Strong-Motion Instrumentation Special Fund	4,538	0	-3,367	-74.2
Federal Trust Fund	1,720	1,687	-2,851	-165.8
Bosco-Keene Renewable Resources Investment Fund	722	778	-942	-130.5
Reimbursements	8,527	8,502	7,780	91.2
Oil, Gas, and Geothermal Administrative Fund	13,294	13,544	5,017	37.7
Agriculture and Open Space Mapping Subaccount	430	430	-12,864	-2991.6
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	10,000	529	99	1.0
Total	\$685,994	\$881,568	\$195,574	28.5

Highlights

The Governor proposes the following budget adjustments:

- \$4,374,000 (special funds) to merge the Strong-Motion Instrumentation Program Fund with the Seismic Hazards Identification Fund pursuant to Chapter 240, Statutes of 2003.
- \$1,230,000 augmentation (special funds) to the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund and 11.4 PYs for the Seismic Hazards Mapping Program.

3540 Department of Forestry and Fire Protection

The Department of Forestry and Fire Protection (CDF), under the policy direction of the Board of Forestry, provides fire protection services for timberlands, rangelands, and brushlands. The department regulates timber harvesting on state or privately owned forestland and also provides a variety of resource management services for owners of forestlands, rangelands, and brushlands.

The Office of the State Fire Marshall is responsible for protecting life and property from fire through the development and application of fire prevention engineering, enforcement, and education regulations. The State Fire Marshall also trains and certifies fire service personnel throughout the state.

The budget proposes total expenditures of \$634.6 million (\$366.1 million General Fund), a decrease of \$136.2 million (17.7 percent) from the current-year budget.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$466,784	\$366,152	-\$100,632	-21.6
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fund	1,416	241	-1,175	-83.0
State Emergency Telephone Number Account	2,568	1,622	-946	-36.8
Unified Program Account	311	311	0	0.0
State Fire Marshal Licensing and Certification Fund	1,857	1,884	27	1.5
California Environmental License Plate Fd	637	395	-242	-38.0
California Fire and Arson Training Fund	1,597	1,583	-14	-0.9
California Hazardous Liquid Pipeline Safety Fund	2,285	2,227	-58	-2.5
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	389	386	-3	-0.8
Professional Forester Registration Fund	194	192	-2	-1.0
Federal Trust Fund	66,077	26,108	-39,969	-60.5
Forest Resources Improvement Fund	0	0	0	0.0
Timber Tax Fund	28	30	2	7.1
Reimbursements	167,944	171,014	3,070	1.8
Forest Practice Regulatory Fund	5,000	10,000	5,000	100.0
State Responsibility Area Fire Protection Fund	52,500	52,500	0	0.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	1,060	0	-1,060	-100.0
Water Quality, Clean Drinking Water, Coastal and Beach Protection Bond Fund	240	0	-240	-100.0
Total	\$770,887	\$634,645	-\$136,242	-17.7

Highlights

Timber Harvest Plan Fees. The current-year budget includes a \$10 million reduction associated with the department's review and enforcement of Timber Harvest Plans (THPs). Last year, the subcommittee approved trailer bill language to establish a 4 percent timber yield fee, however, the bill was never approved by the Legislature. The Governor's budget assumes passage of THP fee enabling legislation. If the Legislature does not pass the proposed statutory

changes, the department's THP review and enforcement program will be reduced by over 50 percent.

3600 Department of Fish and Game

The Department of Fish and Game (DFG) administers programs and enforces laws pertaining to the fish and wildlife resources of the state. The Fish and Game Commission sets policies to guide the department in its activities and regulates the sport taking of fish and game. The DFG currently manages approximately 160 ecological reserves, wildlife management areas, habitat conservation areas, and interior and coastal wetlands throughout the state.

The budget proposes total expenditures of \$271.1 million (\$37.3 million General Fund), a decrease of \$2.8 million (1 percent) from the current-year budget.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$37,655	\$37,352	-\$303	-0.8
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fund	755	0	-755	-100.0
California Environmental License Plate Fund	17,984	15,581	-2,403	-13.4
Fish and Game Preservation Fund	89,612	94,166	4,554	5.1
Fish and Wildlife Pollution Account	2,480	2,502	22	0.9
California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund	208	217	9	4.3
Marine Invasion Species Control Fund	877	1,166	289	33.0
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	0	1,500	1,500	0.0
Oil Spill Prevention and Administration Fund	20,605	20,585	-20	-0.1
Oil Spill Response Trust Fund	0	0	0	0.0
Environmental Enhancement Fund	1,002	307	-695	-69.4
Central Valley Project Improvement Subaccount	53	53	0	0.0
Harbor and Watercraft Revolving Fund	5	5	0	0.0
Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	-200	-200	0	0.0
Federal Trust Fund	62,893	63,180	33,230	111.0
Reimbursements	29,950	29,215	29,215	0.0
Coastal Watershed Salmon Habitat Subaccount	0	0	-7,996	-100.0
California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund	7,996	996	-1,042	-51.1
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	2,038	2,038	2,038	0.0
Salton Sea Restoration Fund	0	2,482	2,482	0.0
Total	\$273,913	\$271,145	-\$2,768	-1.0

3790 Department of Parks and Recreation

The Department of Parks and Recreation (DPR) acquires, develops, preserves, interprets, and manages the natural, cultural, and recreational resources in the state park system and in the State Vehicular Recreation Area and Trail System (SVRATS). In addition, the department administers state and federal grants to cities, counties, and special districts that help provide parks and open-space areas throughout the state. The state park system consists of 273 units, 31 of which are administered by local and regional park agencies. The system contains approximately 1.4 million acres of land, with 285 miles of coastline and 822 miles of lake, reservoir, and river frontage.

The budget proposes total expenditures of \$331.2 million, (\$82.3 million General Fund), a decrease of \$824.7 million (71.3 percent) from the current-year budget. The decrease in spending is attributable to the Governor's proposal to delay the allocation of Proposition 40 bond funds.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
<i>State Operations</i>				
General Fund	\$97,295	\$82,316	-\$14,979	-15.4
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fund	23,892	12,441	-11,451	-47.9
California Environmental License Plate Fund	128	1,637	1,509	1178.9
Public Resources Account, Cigarette & Tobacco Products Surtax Fund	12,116	10,729	-1,387	-11.4
Habitat Conservation Fund	30	0	-30	-100.0
Off-Highway Vehicle Trust Fund	28,869	37,818	8,949	31.0
State Parks and Recreation Fund	96,735	117,079	20,344	21.0
Winter Recreation Fund	339	342	3	0.9
Harbors and Watercraft Revolving Fund	685	701	16	2.3
Federal Trust Fund	3,027	3,527	500	16.5
Reimbursements	13,097	13,097	0	0.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	12,174	10,052	-2,122	-17.4
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	390	390	0	0.0
Total, State Operations	\$288,777	\$290,129	\$1,352	0.5

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
<i>Local Assistance</i>				
General Fund	\$0	\$0	\$0	0.0
Safe Neighborhood Parks, Clean Water, Clean Air & Coastal Protection Bond Fd	44,744	0	-44,744	-100.0
Habitat Conservation Fund	2,705	3,705	1,000	37.0
Off-Highway Vehicle Trust Fund	17,608	17,000	-608	-3.5
Natural Resources Infrastructure Fund	7,956	0	-7,956	-100.0
California Wildlife, Coastal and Park Land Conservation Fund of 1988	8	0	-8	-100.0
Recreational Trails Fund	9,549	6,200	-3,349	-35.1
Federal Trust Fund	39,078	14,200	-24,878	-63.7
Reimbursements	0	0	0	0.0
River Protection Subaccount	0	0	0	0.0
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	745,469	0	-745,469	-100.0
Total, Local Assistance	\$867,117	\$41,105	-\$826,012	-95.3
Total, State Operations & Local Assistance	\$1,155,894	\$331,234	-\$824,660	-71.3

Highlights

Park Fees. The Governor proposes to increase State Park fees in order to generate \$18 million to prevent a reduction in the hours of operation and to maintain adequate public access to State parks. Under the Governor's proposal, camping rates would increase to a range of \$11.00 to \$25.00, and day use rates will increase to a range of \$4.00 to \$14.00 depending on the location and level of demand.

The Governor also proposes the following budget adjustments:

- \$41,105,000 (\$17,000,000 from the Off-Highway Vehicle Trust Fund, \$14,200,000 from the Federal Trust Fund, \$6,200,000 from the Recreational Trails Fund, and \$3,705,000 from the Habitat Conservation Fund) for local assistance grants.
- \$8,207,000 Off-Highway Vehicle Trust Fund and 10.9 PYs for mandated programs and operational support, including immediate public use of the Riverside SVRA.
- \$4,600,000 (\$4,000,000 from the Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund and \$600,000 from the Off-Highway Vehicle Trust Fund) for the third year of park access improvements pursuant to the Americans with Disabilities Act.
- \$3,000,000 (\$18,000,000 increase from the State Parks and Recreation Fund and a \$15,000,000 reduction from the General Fund) due to increased state park camping and day use fees, to take effect July 1, 2004. Of this amount, \$2,000,000 will be for park

maintenance and \$1,000,000 for temporary help and overtime required due to expanded operating hours at selected parks, beaches and recreational areas.

3860 Department of Water Resources

The Department of Water Resources (DWR) is responsible for developing and managing California's water through the implementation of the State Water Resources Development System, including the State Water Project. The Department also maintains the public safety and prevents damage through flood control operations, supervision of dams, and safe drinking water projects.

The budget proposes total expenditures of \$5.8 billion (\$45.6 million General Fund), a decrease of \$1.8 billion (23.9 percent) from the current-year budget. The decrease in spending is attributable to the Governor's proposal to delay allocation of Proposition 50 bond funds and a reduction to the DWR Electric Power Fund.

Fund Source (dollars in thousands)	2003-04	2004-05	\$ Change	% Change
General Fund	\$28,436	\$45,581	\$17,145	60.3
Colorado River Management Account	38,999	16,100	-22,899	-58.7
Less Funding Provided by General Fund	0	-16,100	-16,100	0.0
California Environmental License Plate Fund	221	222	1	0.5
Environmental Water Fund	0	0	0	0.0
Central Valley Project Improvement Subaccount	1,573	1,573	0	0.0
Delta Levee Rehabilitation Subaccount	690	0	-690	-100.0
Feasibility Projects Subaccount	1,448	1,448	0	0.0
Water Conservation and Groundwater Recharge Subaccount	1,141	123	-1,018	-89.2
Energy Resources Programs Account	1,696	1,696	0	0.0
State Water Project Funds	246,530	250,589	4,059	1.6
Loan Repayments	-1,530	-1,530	0	0.0
California Water Resources Development Bond Fund	[182,071]	[185,550]		
Loan Repayments	[-1,300]	[-1,300]		
Central Valley Water Project Construction Fund	[50,125]	[50,568]		
Loan Repayments to Local Agencies	[-230]	[-230]		
Central Valley Water Project Revenue Fund	[14,334]	[14,471]		
Local Projects Subaccount	99	99	0	0.0
Sacramento Valley Water Management and Habitat Protection Subaccount	2,624	384	-2,240	-85.4
River Parkway Subaccount	290	0	-290	-100.0
California Safe Drinking Water Fund	4,785	2,315	-2,470	-51.6

Fund Source -- CONTINUED

(dollars in thousands)	2003-04	2004-05	\$ Change	% Change
1984 State Clean Water Bond Fund	570	570	0	0.0
Loan Repayments	-325	(325)	0	0.0
1986 Water Conservation and Water Quality Bond Fund	5,069	3,469	-1,600	-31.6
Loan Repayments	-2,158	(2,158)	0	0.0
1988 Water Conservation Fund	9,018	0	-9,018	-100.0
Federal Trust Fund	11,307	11,307	0	0.0
Bosco-Keene Renewable Resources Investment Fund	20	0	-20	-100.0
Reimbursements	21,849	16,974	-4,875	-22.3
Dam Safety Fees	7,369	7,369	0	0.0
Department of Water Resources Electric Power Fund	6,814,301	5,414,760	-1,399,541	-20.5
Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund	651	736	85	13.1
Flood Protection Corridor Subaccount	8,050	721	-7,329	-91.0
Urban Stream Restoration Subaccount	692	692	0	0.0
Yuba Feather Flood Protection Subaccount	5,982	982	-5,000	-83.6
River Protection Subaccount	140	0	-140	-100.0
Water Conservation Account	33,549	779	-32,770	-97.7
Conjunctive Use Subaccount	1,300	1,300	0	0.0
Bay Delta Multipurpose Water Management Subaccount	23,754	858	-22,896	-96.4
Interim Water Supply and Water Quality Infrastructure and Management Subaccount	6,681	431	-6,250	-93.5
Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002	311,242	12,113	-299,129	-96.1
Total	\$7,586,063	\$5,773,078	-\$1,812,985	-23.9

Highlights

Revert Unencumbered Funds for Prior Year Local Flood Control Projects. The Governor proposes a mid-year reversion of \$105 million in unencumbered funds for prior-year local flood control projects to the General Fund. Current law does not establish a time requirement regarding repayment of these state obligations to local governments. Since local agencies usually pay for the projects up-front, the Legislature typically defers these payments when the condition of the General Fund is weak.

Funding for Lining of the All American Canal. The Governor proposes \$16.1 million General Fund for the lining of the All American Canal to meet the state's commitment to implementation of the Colorado River Quantification Settlement Agreement.